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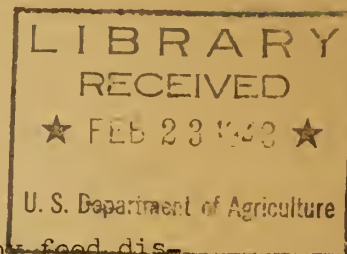
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UNITED STATES DEPARTMENT OF AGRICULTURE  
Agricultural Marketing Administration  
Washington, D. C.

August 11, 1942

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ADMINISTRATIVE LETTER

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OUR WAR PROGRAM



The Agricultural Marketing Administration, in its many ~~food dis-~~tributing activities, is really playing a vital role in the final victory of the United Nations. I would like to take this opportunity to indicate something of the nature and scope of the operations in which every AMA man and woman is participating.

Our most obvious contribution to winning the war is our purchase of foodstuff for shipment to our Allies under the Lend-Lease program. To date, we have received requisitions totaling more than \$1,542,718,629 from the various nations and our purchases have already exceeded the billion and one-half dollar mark. At the same time, we must not forget our activities on the home front -- the domestic distribution programs, marketing service and regulatory work, and research -- all of which are related to our total production and fighting effort. Let's look at our entire war program more closely.

Food for the United Nations

It can now be said that Lend-Lease foodstuffs can be found in almost every part of the world occupied by the forces of the United Nations. In the warfare now in progress in the desert of the Near-East, British, Australian, New Zealand, Indian, Polish, and Free French troops are consuming supplies of Army biscuits, canned salmon, canned meat, dried fruits, and numerous other commodities we have been shipping to Egypt and the Near-East. Orange juice and concentrated foods-- essential for flyers on such actions as the bombing of Lubeck, Rostock, Cologne, Emden, and Rangoon--are distributed to flyers of the RAF. Naval bases at Gibraltar, Malta, Colombo, Freetown, and Darwin are stocked with Lend-Lease supplies. The Russian armies fighting around Kharkov, Bryansk, and Leningrad are receiving large quantities of dried eggs, canned meat, and flour. On every major battle-front today the food we have purchased is a vital weapon in the defense of the United Nations.

Lend-Lease foodstuffs also are instrumental in saving the lives of United Nations prisoners of war. To civilian refugees and former Polish prisoners of war in Russia we are sending concentrated soup, milk products, meats, fats and oils, beans, cocoa, and ascorbic acid. Through the cooperation of the International and American Red Cross, we are supplementing the meager diet of boiled potato-peelings and bread now allotted Yugoslav prisoners in German and Italian concentration camps.

In Northern Siberia the Soviet military and scientific outposts now collecting weather data, which proved so important in assisting the Russian armies in their winter offensives, receive large quantities of foodstuffs from us.

In the Far East foodstuffs are being shipped to Ceylon, Australia, and Tahiti. Under the Territorial Emergency Program the AMA has also purchased over 100,000 tons of agricultural products for shipment to Hawaii. Puerto Rico, an important base for our anti-submarine patrols, will soon receive rice, canned meat, flour, and fish products for its civilian population. During the last few months we have cooperated with the Department of State in providing emergency food reserves on such Caribbean islands as Trinidad and Antigua, where U.S. naval bases are being constructed.

To Iceland, which guards the North Atlantic convoy routes to the British Isles and Russia, we have sent special representatives to purchase agricultural commodities and foodstuffs valued at more than \$20,000,000 a year. In this particular instance we are cooperating with the Department of State in solving one of our most important economic and diplomatic problems.

Hundreds of commodities have been purchased for the United Nations--many of them products never handled before under our regular marketing work. It has been necessary for our commodity specialists to become familiar with the purchasing, shipping, and packing of items with which they were totally unfamiliar.

In all probability the coming months will witness important changes in the types of commodities we will purchase for the United Nations. Such factors as occupation or loss of territory, changes in the shipping situation, and new allies will create new problems in our program of providing foods for victory.

Domestic Distribution Programs

Not all of the food handled by the AMA goes to the remote places of the globe, however. The battle against malnutrition on the home front is very real and very important. The underfed have little to sacrifice, even less of strength to meet reverses. Such groups constitute vulnerable sectors in our home defenses.

An adequately fed nation is less susceptible to disease, less susceptible to lowered morale. We want to be able to give people more food at a time when they are forced to restrict their consumption of other consumer goods.

We are doing this through the Food Stamp Program, which has increased the food-buying power of 3,300,000 low-income consumers by approximately 50 percent.

But the Food Stamp Program, for various reasons, does not operate in all areas and this is where the Direct Distribution Program comes in. Under this program commodities are bought at farm or wholesale points and distributed to an estimated 4,600,000 people designated as eligible by local relief agencies. The School Lunch Program reaches 5,600,000 children in 83,000 schools scattered all over the country. The School Milk Program is reaching 690,000 children.

These distribution programs supply nutritive foods to under-nourished people in this country, provide stable and adequate markets for farm products, and serve as safety valves in our whole war program of procurement. Without them, we might be hesitant about buying commodities which are urgently needed, but for which shipping facilities are problematical. With these programs, we can buy, assured that they can be used, either abroad or here at home. Then, too, of course, a well-nourished nation is able to work longer and fight harder; and a prosperous agriculture is able to produce more of the food needed to win the war.

Vast quantities of foods, seasonally in over-supply, used to go to waste every year because insufficient effort was made to increase the demand for them. In wartime, we can't afford such wastage. This is the problem that is being tackled by the AMA's new Victory Food Specials Program. It emphasizes the fact that AMA's war job goes all the way from the producer to the consumer. If we are to buy the foods needed for Lend-Lease, we must see to it that the foods are available, that means that they must move to market -- and that the right foods move from the market to ships, to stores, to homes.

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### Marketing Services

Indeed, the efficient functioning of the entire marketing process is vital in wartime. While a part of the enormous annual output of food goes to our armed forces, our Allies, and to low-income consumers, the bulk of it goes to mechanics, carpenters, railroad men, clerks, millers, miners -- to the millions of people from all walks of life who have a part in the wartime production job. It is a responsibility of the AMA to keep the products of the farm flowing toward these consumers.

When AMA assists in the regular every-day business of marketing, it is doing a war job. Consider the market news service, for instance. From offices at New York, Cincinnati, Chicago, Kansas City, Denver, San Francisco and at many other points, the AMA sends out its reports -- reports that keep agriculture up to the minute on prices, supplies, and movement of over 100 farm commodities. About 8,000 miles of leased telegraph lines link the various offices together. Upwards of 400 radio stations regularly broadcast market reports one or more times daily. And most newspapers, particularly in farming areas, carry market summaries as a regular feature. This service started in World War I as a war-production necessity. In this war, it will prove itself again.

Then there are the Federal standards. "U.S. No. 1," "U.S. Grade A," and "Choice" are terms that have become indelibly associated with marketing -- terms that provide producers, distributors, and consumers with a common language for describing variations in quality. The standards provide a basis for merchandising contracts, for price quotations, for loans on products in storage, for sorting and packing by producers to meet market requirements, and, especially important these days, for Government purchases.

To be effective, the standards must be interpreted accurately and applied consistently. That is a job for AMA inspectors and for Federal-State inspectors working under AMA supervision. The volume of farm products that will be inspected in 1942 will be the largest in the Nation's history, due, of course, in large part to the huge quantities of food purchased by the Government for war purposes, all of which must be inspected.

### Market Stabilization

Unusually wide fluctuation of prices or disastrously low prices disturb the efficient functioning of the marketing process, and must not be permitted in a war economy. The AMA attacks this problem with its market stabilization program. Milk and its products, vegetables, fruits, tobacco, soybeans, and naval stores

are among the commodities on which marketing agreements are in effect. That assures their availability in the war program.

#### Market Regulation

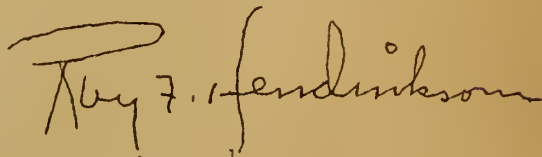
It is even more important that marketing operate honestly in wartime than in peacetime, and one of the functions of the AMA is to see that it does. The farmer whose grain is sold on an organized exchange has the right to expect that the exchange is operated honestly; that is work coming under the Commodity Exchange Act. The livestock producer who ships his animals to a public stockyard should have the assurance that they will be weighed correctly and properly accounted for; that is work coming under the Packers and Stockyards Act. The purchases of seeds should be able to place dependence upon the quality that is represented on the label; that is work coming under the Federal Seed Act. In all, the AMA is responsible for the enforcement of 23 laws having to do with market regulation. The war intensifies their importance.

#### Marketing Research

The war has made many changes in packaging, processing, and other market practices. To keep up with the parade, the AMA must turn a considerable part of its effort into research channels. War emphasizes the need of research slanted toward preventing waste -- waste that we cannot afford in wartime. Research shows that much of this can be avoided through improvement in techniques of assembling, packaging, processing, transporting, storing, wholesaling, and retailing. Thus war highlights the need, and what we can't do during the war, we can work into specific plans for the kind of permanent marketing system we want after the war.

#### Marketing - A Unified Job

It is obvious from this brief summary that the AMA is a large organization -- a complex organization that covers a broad field of activities. But its wartime job is simple: It must keep the food rolling whether that food is destined for Malta, Fort Bragg, or the Elite Market at Evansville, Ind. In this job everybody in the organization plays a part -- economists, inspectors, chemists, statisticians, stenographers. It is a long list, over 7,189 employees in all, but each person, in one way or another, is making a definite contribution to winning the war.



Administrator

